

## HOUSE BILL No. 1620

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### DIGEST OF INTRODUCED BILL

**Citations Affected:** IC 6-9-35; IC 6-10; IC 15-5; IC 36-6-5-3.

**Synopsis:** Companion animal tax. Provides for a local option companion animal tax, not to exceed \$5 per companion animal, for local animal control or to build, maintain, or operate animal care facilities. Replaces the current state dog tax and kennel fee with a state dog tax imposed at a rate of \$1 per dog owned. Abolishes the dog census. Retains the town option dog tax of \$2 per dog. Eliminates the township and county dog funds and the dog account of the state general fund, and provides for the disposition of money in the funds and the account. Requires reporting of dogs on the state income tax return. Establishes the dog tax board (board) and the state dog tax account (account). Provides that the board administers the account. Requires township trustees to submit animal kill claims to the board. Provides for the use of money in the account to pay for: (1) animal kill claims; (2) canine disease research; and (3) canine research and education. Makes an appropriation. (The introduced version of this bill was prepared by the interim study committee on agriculture and small business issues.)

**Effective:** January 1, 2005 (retroactive); June 30, 2005; July 1, 2005.

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**Bischoff, Saunders**

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January 19, 2005, read first time and referred to Committee on Ways and Means.

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Introduced

First Regular Session 114th General Assembly (2005)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2004 Regular Session of the General Assembly.

## HOUSE BILL No. 1620

A BILL FOR AN ACT to amend the Indiana Code concerning taxation and to make an appropriation.

*Be it enacted by the General Assembly of the State of Indiana:*

1 SECTION 1. IC 6-9-35 IS ADDED TO THE INDIANA CODE AS  
2 A **NEW** CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY  
3 1, 2005]:

4 **Chapter 35. Local Option Tax for Companion Animals**

5 **Sec. 1. As used in this chapter, "animal care facility" includes**  
6 **an animal control center, an animal shelter, a humane society, or**  
7 **another animal impounding facility that has as its purpose the**  
8 **humane treatment of animals, including companion animals.**

9 **Sec. 2. As used in this chapter, "companion animal" means a**  
10 **domesticated dog or cat normally maintained in or near the**  
11 **premises of the owner of the dog or cat.**

12 **Sec. 3. (a) The legislative body of a county may adopt an**  
13 **ordinance to impose a tax for each companion animal that a**  
14 **person:**

15 **(1) owns in the county; or**

16 **(2) harbors or keeps in or near the person's premises in the**  
17 **county, whether the companion animal is owned by the person**

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or another person.

The person who owns, harbors, or keeps the companion animal is liable for the tax.

(b) An ordinance adopted under this section must state whether the tax is imposed on:

(1) dogs;

(2) cats; or

(3) both dogs and cats.

(c) A tax imposed under this section may not exceed five dollars (\$5) per year for each companion animal.

(d) All money derived by a county from the tax imposed under this section, less any fees retained under section 4 of this chapter, constitutes a fund known as the county companion animal fund.

Sec. 4. The legislative body of a county may designate one (1) or more persons in the county to collect the tax imposed under section 3 of this chapter. A designee may retain a fee from the tax collected for each companion animal in an amount determined by the legislative body not to exceed seventy-five cents (\$0.75). A designee shall remit the balance of the money collected to the county treasurer by the tenth day of each month.

Sec. 5. (a) The legislative body of a county that imposes a tax under this chapter shall distribute the entire amount of tax payments deposited in the county companion animal fund as follows:

(1) All or part of the tax payments may be distributed to one (1) or more animal care facilities designated by the legislative body and located:

(A) in the county; or

(B) if no animal care facility is located in the county, outside the county.

(2) For a county that performs animal control functions, tax payments not distributed under subdivision (1) shall be distributed to the entity in the county that performs animal control functions for the county.

In a county that does not perform animal control functions, the entire amount of the tax payments shall be distributed under subdivision (1).

(b) An animal care facility designated under subsection (a)(1) shall use the funds:

(1) to build, maintain, or operate the animal care facility;

(2) to perform animal control functions; or

(3) both.

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1       **Sec. 6. (a) The fiscal body of a town may levy a tax of up to two**  
 2       **dollars (\$2) for each dog that a person:**

3       **(1) owns in the town; or**

4       **(2) harbors or keeps in or near the person's premises in the**  
 5       **town, whether the dog is owned by the person or another**  
 6       **person.**

7       **The person who owns, harbors, or keeps the dog is liable for the**  
 8       **tax.**

9       **(b) The fiscal body of a town that imposes a tax under**  
 10       **subsection (a) shall determine the manner in which the tax is to be**  
 11       **collected. The tax may be expended for any lawful town purpose.**

12       **(c) A tax imposed under this section is in addition to a tax**  
 13       **imposed under section 3 of this chapter.**

14       **SECTION 2. IC 6-10 IS ADDED TO THE INDIANA CODE AS A**  
 15       **NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JANUARY**  
 16       **1, 2005 (RETROACTIVE)]:**

17       **ARTICLE 10. DOG TAX**

18       **Chapter 1. Definitions**

19       **Sec. 1. The definitions in this chapter apply throughout this**  
 20       **article.**

21       **Sec. 2. "Account" means the dog tax account established by**  
 22       **IC 6-10-4-4.**

23       **Sec. 3. "Board" means the dog tax board established by**  
 24       **IC 6-10-4-3.**

25       **Sec. 4. "Department" refers to the department of state revenue.**

26       **Sec. 5. "Taxable year" has the meaning set forth in IC 6-3-1-16.**

27       **Chapter 2. Imposition and Rate**

28       **Sec. 1. A tax is imposed on every individual who:**

29       **(1) must file an income tax return under IC 6-3-1; and**

30       **(2) owns a dog at any time during the individual's taxable**  
 31       **year for which an income tax return must be filed under**  
 32       **IC 6-3-1.**

33       **Sec. 2. The rate of the tax imposed under section 1 of this**  
 34       **chapter is one dollar (\$1) for each dog owned by an individual at**  
 35       **any time during the taxable year for which an income tax return**  
 36       **must be filed under IC 6-3-1.**

37       **Chapter 3. Reporting and Payment**

38       **Sec. 1. An individual must:**

39       **(1) report each dog owned during the taxable year on the**  
 40       **individual's income tax return under IC 6-3-1; and**

41       **(2) pay to the department the tax determined under this**  
 42       **article.**

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**Chapter 4. Returns, Collection, and Distribution**

**Sec. 1. The department shall develop income tax forms under IC 6-3-1 that accommodate the reporting of dogs under this article.**

**Sec. 2. The department shall collect the tax under this article.**

**Sec. 3. (a) The dog tax board is established.**

**(b) The following are members of the board:**

**(1) The dean of the School of Agriculture of Purdue University, or the dean's designee.**

**(2) The dean of the School of Veterinary Science and Medicine of Purdue University, or the dean's designee.**

**Sec. 4. (a) The dog tax account is established as an account within the state general fund.**

**(b) The board shall administer the account.**

**(c) The account:**

**(1) consists of money deposited in the account under this section; and**

**(2) does not revert to the state general fund at the end of a state fiscal year.**

**(d) The amount collected under this article shall be deposited in the account. Money in the account is annually appropriated for the following purposes:**

**(1) First, for payment of claims under section 5 of this chapter.**

**(2) Second, for canine disease research under section 6 of this chapter.**

**(3) Third, for canine research and education under section 7 of this chapter.**

**Sec. 5. (a) The board shall use money in the account to pay claims submitted under section 8 of this chapter for the following:**

**(1) Damage, less insurance proceeds, sustained by the animal's owner when an animal of any of the following types is killed, maimed, or damaged other than by a person:**

**(A) Sheep.**

**(B) Cattle.**

**(C) Horses.**

**(D) Swine.**

**(E) Goats.**

**(F) Mules.**

**(G) Chickens.**

**(H) Geese.**

**(I) Turkeys.**

**(J) Ducks.**

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(K) Guineas.

(L) Tame rabbits.

(M) Game birds and game animals held in captivity under authority of a game breeder's license issued by the department of natural resources.

(N) Bison.

(O) Farm raised cervidae.

(P) Ratitae.

(2) The expense of taking the treatment for rabies incurred by a person bitten by or exposed to a dog in Indiana that is known to have rabies.

(3) The expenses of removing or having removed the head of a dog that:

(A) is found roaming at large, unaccompanied by the dog's owner or owner's agent;

(B) is suspected of having rabies; and

(C) dies or is destroyed for the reasons set forth in this subdivision.

The expenses include all charges for transporting the head to a laboratory maintained by state, county, or municipal funds. The board may not use money in the account to pay for a dog that has been maimed or killed.

(b) A person requiring the treatment described in subsection (a)(2) may select the person's own physician.

(c) Notwithstanding subsection (a)(1), damages may not be assessed or paid under this chapter for death of or injury to sheep, except where individual damage is shown.

(d) The board shall pay the claims in the order in which the claims are received.

Sec. 6. At the end of each calendar year and after the payment of claims under section 5 of this chapter, the board shall use the lesser of:

(1) the money remaining in the account at the end of the calendar year; or

(2) one hundred thousand dollars (\$100,000);

for canine disease research at the Purdue University School of Veterinary Science and Medicine.

Sec. 7. If any money remains in the account at the end of a calendar year and after the distributions under sections 5 and 6 of this chapter for the calendar year, the board shall use the money remaining in the account for canine research and education at the Purdue University School of Veterinary Science and Medicine.

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1        **Sec. 8. (a) To qualify for payment of claims by the board under**  
 2        **section 5 of this chapter, the owner of stock, fowl, or game that is**  
 3        **of a type listed in section 5(a)(1) of this chapter and that is killed,**  
 4        **maimed, or damaged other than by a person must submit a claim**  
 5        **to the trustee of the township in which the owner resides.**

6        **(b) The board shall prescribe a form on which claims may be**  
 7        **submitted under this section.**

8        **(c) The township trustee shall establish criteria and procedures**  
 9        **under which an owner of stock, fowl, or game described in**  
 10        **subsection (a) may submit a claim to be paid by the board under**  
 11        **section 5 of this chapter.**

12        **(d) Not later than the tenth day of each month, the township**  
 13        **trustee shall submit to the board the claims received during the**  
 14        **immediately preceding month in the order in which the claims**  
 15        **were received.**

16        **SECTION 3. IC 15-5-7-1 IS AMENDED TO READ AS FOLLOWS**  
 17        **[EFFECTIVE JULY 1, 2005]: Sec. 1. If a dog kills or injures any**  
 18        **livestock while the livestock is in the care, custody, and control of the**  
 19        **livestock's owner or his the owner's agent, the owner or harbinger of the**  
 20        **dog is liable to the owner of the livestock for all damages sustained,**  
 21        **including his reasonable attorney's fees and the court costs. if the**  
 22        **appropriate dog tax has not been paid on the dog, triple damages may**  
 23        **be awarded.**

24        **SECTION 4. IC 36-6-5-3 IS AMENDED TO READ AS FOLLOWS**  
 25        **[EFFECTIVE JULY 1, 2005]: Sec. 3. The assessor shall perform the**  
 26        **duties prescribed by statute, including**

27        **(1) assessment duties prescribed by IC 6-1.1. and**

28        **(2) administration of the dog tax and dog fund; as prescribed by**  
 29        **IC 15-5-9.**

30        **SECTION 5. THE FOLLOWING ARE REPEALED [EFFECTIVE**  
 31        **JULY 1, 2005]: IC 15-5-9; IC 15-5-10-3.**

32        **SECTION 6. [EFFECTIVE JULY 1, 2005] (a) Notwithstanding**  
 33        **the repeal of IC 15-5-9-10 by this act, a township trustee shall pay**  
 34        **the fees and charges referred to in IC 15-5-9-10 that are:**

35        **(1) associated with a dog suspected of having rabies; and**

36        **(2) incurred after June 30, 2005;**

37        **from the township dog fund if money for the payment of the fees**  
 38        **and charges is available in the township dog fund under SECTION**  
 39        **8 of this act.**

40        **(b) This SECTION expires January 1, 2007.**

41        **SECTION 7. [EFFECTIVE JULY 1, 2005] (a) Notwithstanding**  
 42        **the repeal of IC 15-5-9-8 by this act, each township dog fund shall**

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be maintained:

(1) at least until the county auditor makes the distribution required by SECTION 8 of this act; and

(2) if the fund contains money on June 30, 2005, or receives money distributed by the county auditor under SECTION 8 of this act:

(A) until the fund is exhausted through the payment of:

(i) claims filed under IC 15-5-9-9.1 (before its repeal); and

(ii) fees and charges under IC 15-5-9-10 (before its repeal) and SECTION 6 of this act that are associated with a dog suspected of having rabies; or

(B) if the fund is not previously exhausted under clause (A), until July 1, 2006.

(b) If money remains in the township dog fund on June 30, 2006, the township trustee, on July 1, 2006, shall transfer the money:

(1) to the humane society designated by the county legislative body under IC 15-5-9-8(d) (before its repeal) to receive a part of each dog tax payment; or

(2) if the county legislative body did not designate a humane society under IC 15-5-9-8(d) (before its repeal), to the township general fund.

(c) This SECTION expires January 1, 2007.

SECTION 8. [EFFECTIVE JUNE 30, 2005] (a) Notwithstanding the repeal of IC 15-5-9-10 by this act, if any money remains in a county dog fund on July 30, 2005, the county auditor shall, on August 1, 2005, distribute the money to the township trustees of the townships located in the county. An equal share of the money shall be distributed to each township trustee.

(b) A township trustee who receives a distribution under this SECTION shall deposit the distribution in the township dog fund.

(c) This SECTION expires January 1, 2006.

SECTION 9. [EFFECTIVE JUNE 30, 2005] (a) Notwithstanding the repeal of IC 15-5-9-10 by this act, if any money remains in the state dog account of the state general fund on June 30, 2005, the auditor of state shall, on July 1, 2005, distribute the money as follows:

(1) Fifty percent (50%) to Purdue University for the School of Veterinary Science and Medicine, to be used solely for canine disease research.

(2) Fifty percent (50%) to the counties identified under subsection (b).

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1       (b) Money to be distributed under subsection (a)(2) shall be  
2       divided among the counties that paid to the auditor of state, under  
3       IC 15-5-9-10(j) (before its repeal), the surplus money remaining in  
4       the counties' county dog funds on May 7, 2005.

5       (c) Each county's share of the total amount distributed under  
6       this SECTION must be proportional to the county's share of the  
7       total amount paid to the auditor of state in 2005 under  
8       IC 15-5-9-10(j) (before its repeal).

9       (d) This SECTION expires January 1, 2006.

10      SECTION 10. [EFFECTIVE JULY 1, 2005] IC 6-9-35, as added  
11      by this act, does not apply to a county that imposes a local tax on  
12      companion animals (as defined in IC 6-9-35-2, as added by this  
13      act), before the effective date of IC 6-9-35, as added by this act.

14      SECTION 11. An emergency is declared for this act.

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